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EXAMINER	
HOEL, MATTHEW D	

ART UNIT	PAPER NUMBER
3714	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/043,071	GROZ, MARC MICHAEL	
	Examiner	Art Unit	
	Matthew D. Hoel	3714	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *11 December 2007*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *42-51* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *42-51* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2. The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

3. Claims 42 to 46 and 48 to 51 are rejected under 35 U.S.C. 102(e) as being obvious over Adao e Silva (U.S. provisional application 60/254,053, entered as NPL 07-18-2007, published as WO 02/47010 A1, PCT/US0148587, entered as FPL 07-18-2007) in view of Nilssen (U.S. patent 5,083,784 A).

4. As to Claim 42: '053 discloses all of the limitations of Claim 42, but lacks specificity as to a large gaming prize being larger than the prize pool. '053 teaches offering to sell tokens to a plurality of players to participate in a game (Page 2, Lines 13

to 17). Each of the tokens has a price and a designated residual value (Page 5, Lines 1 to 8; Page 3, Line 16 to Page 4, Line 3). '053 teaches receiving financial consideration from the players, the financial consideration being equal to the number of the tokens purchased by each of the players times the price of the tokens (50,000 shares, $1,000 each, Page 5, Lines 1 to 8). '053 teaches allocating a first portion of the financial consideration to a prize pool, the first portion being greater than zero, and the prize pool to be distributed among the winners of the game (Page 5, Lines 9 to 11). '053 teaches conducting the game such that there is an outcome of the game wherein the outcome may comprise the designation of a portion of the tokens as winning tokens (Page 2, Lines 8 to 12). '053 teaches awarding the prize pool to the owners of the winning tokens if the outcome comprises the designation of winning tokens (Page 2, Lines 8 to 12). '053 teaches allocating a second portion of the financial consideration to purchase assets (Page 3, Lines 13 to 16). These assets have a positive expected return over a period of time such that the expected value of the assets at the end of the time period is greater than or equal to the financial consideration less the prize pool (funds, Page 4, Lines 4 to 13). '053 purchases the assets with the second portion of the financial consideration (Page 5, Lines 4 to 7). '053 teaches assigning the assets to the tokens (Page 5, Lines 1 to 8); the assignment to each token being in proportion to the price of each token times the residual value of each of the tokens (portion assigned to investment, Page 3, Line 17 to Page 4, Line 3). '053 commits to provide the current market value of the assets at the end of the period of time to the owners of the tokens (college investment fund eventually withdrawn, Page 4, Line 12). The examiner finds

the new limitations to be supported by Pages 9 and 10, among others, in the specification. '784, however, teaches a game comprising a large gaming prize, the large gaming prize being backed at least in part by a payment augmentation module, the payment augmentation module being a lottery backed security, the prize pool being less than the large gaming prize, the outcome maybe additionally comprising the designation of at least one of the winning tokens as a large prize winning token, and awarding the large gaming prize to the owners of the at least one large gaming prize winning token if the outcome comprises the designation of the at least one large gaming prize winning token, wherein at least a portion of the gaming prize is paid by the payment augmentation module (Abst.), "the weekly earnings would be about $20 million; which, if disbursed over a period of 20 years or so, as is typically done by state lottery systems, could be touted as amounting to a $50 million lottery prize." See also Fig. 1, Summary, and Claim 1 of '784. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have applied the payment augmentation module of '784 to the lottery of '053. As stated by '784 it was known in the lottery art before the invention was made to fund the remainder of the prize beyond the weekly amount from the interest income earned by the investments and that this was widespread practice. This modification has the advantage and effect of allowing the lottery to offer prizes larger than those available from just the pool of ticket sales. Larger prizes will, of course, have the effect of generating increased interest and ticket sales.

5. As to Claim 43: The game of '053 can be a lottery (Page 2, Line 14).

6. As to Claim 44: An electronic receipt is inherent in the Internet gaming site of '053 (Page 3, Lines 6 to 9).

7. As to Claim 45: The residual value of '053 can be 50% (Page 3, Line 20 to Page 4, Line 1).

8. As to Claim 46: '053 discloses a gaming investment concept involving a membership club and lotteries (Page 2). The "Background" of '053 mentions lotteries run by local governments (Page 1), but does not specifically mention the lottery investment of '053's claimed invention as being run by a government. '053 mentions the assets comprising one or more of a savings bond, fixed income securities, shares of stock, mutual fund shares, derivative instruments with value linked to objectively verifiable economic or financial data, long term bonds paying a guaranteed rate, or shares in an equity index linked to either Standard & Poor's 500 index or a broad index (various mutual funds, Page 4). The applicant has not stated that having the lottery investment being run as a state-run lottery solves any stated problem or is for any particular purpose. Moreover, it appears that '053, or the applicant's invention would perform equally well as a state-run lottery. Accordingly, it would have been prima facie obvious to one of ordinary skill in the art at the time the applicant's invention was made to have modified '053 such that the lottery investment was a state-run lottery, because such a modification would have been considered a mere design consideration which fails to patentably distinguish over '053.

9. As to Claim 48: The residual value of '053 can be less than or equal to 80% (Page 3, Line 20 to Page 4, Line 1).

10. As to Claim 49: '784 discusses the investment being a bank account paying interest (5:62-64) and that the investments pay interest to the player (Clm. 7, 9:25-27).

11. As to Claim 50: '784 discusses the lottery bonds being invested in various types of investments such as stocks and bonds (6:46-53, 7:26-37). These are different types of investments to they will have a correlation coefficient of zero respective to each other. The lottery-backed security which is the lottery bond will inherently have a correlation coefficient of zero with any investment it is not invested in as they would be no relationship between the lottery bond and the non-invested security. This is a negative limitation, but it is properly enabled by the specification at Pages 13 and 14. See MPEP 2173.05(i).

12. As to Claim 51 (supported by Page 15 of the specification): '053 does not specify having the investments be corporate bonds and the lottery security having a yield of 20 basis points over AAA corporate bonds in the event there is not winner and 180 basis points below AAA corporate bonds in the event there is a winner. '784, however, does provide motivation for this modification (4:13-21): "After a very large number of lottery tickets have been issued, to provide for an increased level of perceived value (such as associated with the prospect of winning an extra large prize) one of the periodically chosen identification codes would be accredited with a particularly high pay-out, such as several million dollars. This increased pay-out would be counter-balanced by somewhat reduced pay-outs to the other chosen identification codes." This modification has the advantage and effect of reducing volatility for the house by offsetting dividends and

large prize payouts with each other. Also, the higher yields in the event there is not a recent large winner will serve to draw investment into the lottery bonds scheme.

13. Claim 47 is rejected under 35 U.S.C. 103(a) as being obvious over '053 and '784 in view of Crapo (U.S. patent 5,987,433 A).

14. As to Claim 47: '053 discloses a number of funds including a venture capital fund, an emerging market fund, a college investment fund, and a tax fund (Page 4). '053 states that this ensures the players will never experience a total loss (Page 4). Venture capital funds are known in the art to be higher-risk and higher-profit than other types of investments. '053 discusses a prize pool (percentage invested, Page 3; residual value is purchase minus prize pool), a period of time (six months or year, Page 3), and implies varying rates of return (different funds types, Page 4) to prevent the player from experiencing total loss. '053 does not address the expected rate of return on assets, the period of time, and the prize pool being chosen such that the expected return of the game is greater that the expected return of a conservative investment. '433, however, discusses asset allocation with a time period and rate of return selected to be greater than the expected return of a conservative investment (1:10-39). The time period selected in the example of '433 is 25 years. The rate of return in the early years is selected to be aggressive in the early years (thus outperforming a conservative investment) and more conservative in the later years to preserve the principle. It would have been obvious to one of ordinary skill in the art to apply the time period and rate of return of '433 to the lottery investment of '053. One of the funds on Page 3 of '053 is a

college investment fund, which would have a fixed period of time (such as around 18 years), much like the 25-year investment of '433. The rate-of-return strategy of '433 would allow the parents to maximize their return on investment in the early years when the principle is lower and the tolerance for risk is greater, and reduce the rate of return in the later years, shielding principle from risk in the later high school years as the child is getting ready to attend college. '053 provides motivation for this by discussing the lottery investments being invested in various types of fund with different rates of return to prevent the player from experiencing total loss (Page 4). Further motivation for this modification can be found in Nilssen '784, which discusses a lottery investment scheme analogous to '053 in which the lottery investments are invested in high-return stocks (13% rate of return over a period of time from 1964 to 1990). This investment is stated as being superior in return over government financial papers, which would be a conservative investment. The advantage of this combination would be to maximize the lottery bond players' investments at the beginning of their investment periods when so the rate of return will be higher when the principle balance is lower and the tolerance for risk is higher, and conservatively invest in the later years to preserve principle and prevent many years' investment gains from being wiped out in the later years when there may not be enough time to recover.

Response to Arguments

15. Applicant's arguments filed 12-11-2007 have been fully considered but they are not persuasive. Regarding the arguments concerning the state-run lottery, whether or

not the applicant's claimed lottery is state-run or not affects neither how the lottery of the Adao e Silva reference operates nor how the applicant's claimed invention operates. The lottery chapter in "Scarne's Complete Guide to Gambling," (entered as NPL on 07-18-2007) on Page 140 (also 134) discusses private lotteries and public lotteries (Page 127; Irish Lottery, Pages 146 to 155). There is no substantial difference in how these lotteries operate other than how they are licensed and permitted or not by law. U.S. patent 4,752,877 A (19:55-20:23) discusses different types of securities having different rates of return. "Preparing Your Business for Venture Capital Investment," by B. Kay Carel, Journal Record, Oklahoma City, Oklahoma, Sept. 28th, 2000, Page 1 discusses venture capital being used for start-up businesses and the high risk this entail; this is riskier than U.S. Treasury securities or FDIC-insured savings accounts, for example. These facts would have been within the knowledge of one of ordinary skill in the art at the time the invention was made. The examiner respectfully disagrees with the applicant as to the claims' condition for allowance.

Conclusion

16. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Bang in WIPO publication WO 01/77930 A1 teaches supplementing lottery pools with advertising revenue. Stanek in WIPO publication WO 02/094400 A1 teaches a multi-state lottery. Roberts, et al. in U.S. patent 4,752,877 A (19:55-20:23) discuss different types of securities having different rates of return. Wright in U.S. pre-grant publications 2005/0164768 A1, 2005/0164770 A1, and

2005/0164767 A1 teaches prize allocations for lotteries. Li in U.S. patent 6,832,210 B1 teaches investment allocation (generally) and zero correlation coefficient (2:42-64).

17. The affidavits filed on Aug. 2nd, 2006 and May 8th, 2007 under 37 CFR 1.131 has been considered but are ineffective to overcome the Adao e Silva reference.

18. The examiner's previous arguments are incorporated herein. The arguments for Claims 46, 47, and 49 were persuasive, but the rest of the applicant's arguments were not persuasive.

19. The evidence submitted is insufficient to establish diligence from a date prior to the date of reduction to practice of the Adao e Silva reference to either a constructive reduction to practice or an actual reduction to practice. Ex. C, the redacted 2000 tax return for the Quaternion Group, establishes that Mr. Groz was president of this company. There is no evidence of his actual duties, work schedule, activities, or anything else. This exhibit also does not pertain to the limitations of the claim language or serve to establish conception or diligence. Time sheets, an engineering notebook, software revision logs, source code, test results, blueprints, photographs, etc. would be more useful.

20. The evidence submitted is insufficient to establish a conception of the invention prior to the effective date of the Adao e Silva reference. While conception is the mental part of the inventive act, it must be capable of proof, such as by demonstrative evidence or by a complete disclosure to another. Conception is more than a vague idea of how to solve a problem. The requisite means themselves and their interaction must also be

comprehended. See *Mergenthaler v. Scudder*, 1897 C.D. 724, 81 O.G. 1417 (D.C. Cir. 1897). The applicant and the affiant claim that the invention was conceived before Dec. 7th, 2006 (on or before Dec. 6th, 2006). Ms. Juris' declaration (Ex. A) shows all of the limitations of independent Claim 42, but there is not evidence of a date, or how this information was communicated to her. The affidavit is a mere restating of Claim 42's limitations. When before Dec. 7th, 2000 was she aware of this information—days, weeks, or months before? It would be very difficult to absolutely ascertain that the invention was conceived before 12-7-2000 if the affiant does not know the approximate date. The examiner believes it reasonable that the affiant should state a time of month or an approximate date. The examiner is also uncertain how this information was conveyed, whether verbally or in writing. Did Ms. Juris learn of the invention through working with Mr. Groz, or from conversation? This is not mentioned. Ex. B, the notebook entry, is only a phrase in a notebook that a lottery has a positive expected rate of return. The entry is barely legible, has no date, and has no details about how the lottery is supposed to work. Most importantly, the entry does not pertain to the claim language, except to possibly say that the lottery has a positive expected return (ER?).

21. The evidence submitted is insufficient to establish a reduction to practice of the invention in this country or a NAFTA or WTO member country prior to the effective date of the Adao e Silva reference.

22. The evidence submitted is insufficient to establish applicant's alleged actual reduction to practice of the invention in this country or a NAFTA or WTO member country after the effective date of the Adao e Silva reference.

23. The examiner does not see sufficient evidence of either attorney diligence or engineering diligence in reduction to practice. Evidence that the invention was conceived and tested out so that it worked as intended, showing how all of the claimed limitations were reduced to practice would be more useful. The examiner points the applicant to MPEP 715.07, 2138.04, 2138.05, and 2138.06. The examiner is aware of three ways the applicant can use a 37 CFR 1.131 affidavit to overcome a reference, MPEP 715.07(III) (A,B,C).

24. The first situation involves the date of reduction to practice, followed by the effective date of the reference, followed by the filing date of the application. In this case, the critical period for diligence is before the effective date of the reference. The claimed invention must be reduced to practice before the effective date of the reference.

25. The second situation involves the date of conception, followed by the effective date of the reference, followed by the reduction to practice, followed by the filing date of the application. The critical period for diligence in this case is from before the effective date of the reference to the date of reduction to practice. The claimed invention must be conceived before the effective date of the reference, and must be diligently reduced to practice from before the effective date of the reference to the date of reduction to practice.

26. The third situation involves the date of conception, followed by the effective date of the reference, followed by the filing date of the application. The critical period for diligence in this case is from before the effective date of the reference to the filing date of the application. The claimed invention must be conceived before the effective date of

the reference, and must be diligently reduced to practice from before the effective date of the reference to the filing date of the application.

27. The examiner notes that Adao e Silva discloses, but does not claim, the claimed invention, so it is appropriate to attempt to overcome the reference by 1.131 (MPEP 715 (I)(B)). The examiner also notes that the applicant has not admitted that the Adao e Silva reference is prior art, in which case a 1.131 affidavit could not be used. The examiner finds the affidavits to be properly executed.

28. The applicant has not shown either attorney or engineering diligence in reduction to practice. The exhibits would not meet 112, 1st paragraph if they were a specification and could not be used for a rejection if they were prior art because they do not have enough detail. The claimed invention should be generally tested to see if it works for its intended purpose, showing how each claimed limitation was reduced to practice. Notebooks, diagrams, etc. would be useful (MPEP 715.07 (I)). MPEP 715.07(III) (A,B,C) discusses actual reduction to practice, conception followed by diligence from prior to the reference date to reduction to practice, and conception of the invention prior to the reference date coupled with diligence from before the reference date to the filing date (the three situations outlined above). Any gaps between the date of conception and the beginning of reduction to practice should be adequately explained, along with any gaps in reduction to practice. Also, the date of conception needs to be perfected. MPEP 715.07(a) talks about this, along with 2138.05(II to III), and 2138.06. Demonstration of diligence in drafting the provisional application such as a log as mentioned in 2138.06 would be helpful. In this case, this would be shown by the

inventor, as the case was originally pro se. The examiner generally points the applicant to 715.07 and 2138.06. The examiner respectfully disagrees with the applicant as to the claims' condition for allowance.

29. Applicant's representative discussed the proposed exhibits (D-H, 4-20-2007) submitted to the Office and wanted to know if the exhitbits (D-H) are sufficient to support the 1.131 Affidavit to antedate the Silva reference. Exhibit D is an unsigned affidavit from Ms. Juris stating that Mr. Groz told her of conceiving the features of the invention in Fall 2000 and that he had made a notebook entry. Exhibit E is a 2000 tax return for Mr. Groz' sole proprietorship, Applied Mathematics, establishing that he ran the business in 2000. Exhibit F is an e-mail (12-8-2000) from Trip Foster to Mr. Groz saying that Mr. Foster was preparing some documents for Mr. Groz. Exhibit G is a 12-13-2000 e-mail from Mr. Groz to Mr. Trip that Mr. Groz would be on vacation until 12-21-2000. Exhibit H is a 1-5-2001 from Mr. Trip to Mr. Groz indicating that Mr. Trip would update Mr. Groz when he knew "more on the Legal front this afternoon."

30. Regarding the Exhibits of 8-2-2006, Exhibit A is a signed affidavit from Ms. Juris stating that Mr. Groz disclosed to her the features of the independent claim before 12-7-2000 and that she had observed Mr. Groz make a notebook entry. Exhibit B is an undated notebook entry concerning a LottaVest lottery with a positive expected rate of return ("Lottery w/ Positive ER"). Exhibit C is an 1120S tax return from Mr. Groz' Quaternion Group, Inc. corporation, indicating that he was running the business. On 8-2-2006, Mr. Groz submitted a signed affidavit that he had disclosed the limitations of the invention to Ms. Juris and recorded a notebook entry before 12-7-2000 and was diligent

in reduction to practice. As currently submitted exhibits are insufficient to establish conception and diligence as detailed in the examiner's Office action, SPE Thai suggested applicant should consider submitting other pages in Marc Groz' notebook indicating that other claim limitations were conceived before the 12/07/00 date of Silva. Xuan Thai also mentioned Bosies v. Benedict, 30 USPQ2d 1862 (Fed. Cir. 1994). Matt Hoel pointed out MPEP 715.04 discussing eligibility to submit a 1.131 affidavit. Hoel also pointed out Groz' vacation from Dec. 13-21, indicating this might be a lack of diligence in reduction to practice. Mr. Nowotarski indicated he would submit case law concerning this. Mr. Nowotarski believed Mr. Groz started working on the Specification around 01/06/2001. The express mailing labels of the provisional applications indicated 01/08/2001 mailing. Mr. Nowotarski believes 4:4-13 of Silva teaching the funds the game proceeds can be invested in does not support "these assets having a positive expected return over a period of time such that the expected value of the assets at the end of the time period is greater than or equal to the financial consideration less the prize pool funds." The examiner disagreed. The examiner believes the various investments show the intent by the investors for the value of the funds to increase. The examiner intended the rejection of Claim 47 to be worded: "Moreover, it appears that '053, or the applicant's invention, would perform equally well modified such that the residual value, the expected rate of return on the assets, the period of time, and the prize pool are chosen such that the expected rate of return of the game is greater than the expected rate of return of a conservative investment." The examiner reconsidered the allowability of the dependent claims previously indicated as allowable (claims 46,

47, 49) on the 5/3/2006 office action and indicated them obvious on the 12/13/06 action in light of Silva. Upon reconsideration, the examiner did not believe they were significant enough in light of the gist of the invention as claimed in Clm. 42 to be allowed, so they were rejected as obvious on 12/13/06. These claims could not be explicitly read into the Silva reference. No agreement was reached.

31. Regarding the applicant's comments concerning Claim 42 on Page 3 of the Remarks: In Adao e Silva ('053), it is taught that a portion of the financial consideration is in the prize pool and the rest of it is invested (various percentages cited as being invested 5%, 20%, 30%, 10%, etc., 3:17-4:3). The rest is, of course, applied to the prize pool (amount bet, 3:17-19); the amount invested is thus amount of the financial consideration less than the prize pool funds as claimed by the applicants. It is inherent that the expected amount of the financial consideration less the prize pool funds at the end of the period of time is greater than they would be at the beginning of the period of time. The applicant appears to be intending for the examiner to interpret this limitation to guarantee that the amount of the financial consideration less the prize pool is guaranteed to be greater at the end of the time period than at the beginning of the time period. The Yellow Fund or college investment fund of 3:12 of '053 will have an end of the time period, which is when the money is withdrawn to invest in the child's college education. The beginning of the time period would be when the initial investment is made at the time of the purchase of the lottery/bond ticket of '053. The venture capital fund, emerging market fund, college investment fund, and tax fund of '053, Page 4, will

of course be expected to grow over the period of the investment. This will not however be guaranteed as investments can go up or down in value.

32. The applicant also contests on Page 4 of the Remarks the examiner's interpretation of '053's lottery/bond tickets as tokens. '053 teaches actual chips or virtual chips in 3:4-9. Since chips are purchased with money, have value, and pertain to the player who bought them, they are fairly interpreted as tokens. In in the same manner the shares of the investment funds ('053, 4:4-7) are purchased by the player through their purchase of the chips of '053 (3:4-9), have value, and pertain to the player who purchased them, so they are fairly interpreted as tokens. '053 teaches that players mustl enroll with identifying information (2:21-3:3), so both the chips and the investment shares would pertain to the player. Players can also check their accounts for summaries of investment performance and betting balances (5:17-6:2). As share prices can go up or down, the number of shares bought by the player per number of wagering tokens bought may not have a one-to-one or even an integral (as in integer numbers) relationship, but no such relationship is claimed or specified by the applicant. The examiner was interpreting the claim language as broadly as reasonable without reading the specification into the claims.

33. Regarding the affidavits D-H, these were presented at the time of the phone interview of 4/27/2007, and the examiner's positions on these affidavits are the same as outlined in the interview summary. Regarding *Reed and Wilkinson v. Tornqvist and Langer*, 426 F2d 501, 168 USPQ 462 (C.C.P.A. 1971), the examiner notes that the case was constructively reduced to practice before Tornqvist went on vacation. The actual

vacation was only three weeks and not four. The extra week was caused by the illness of the appellant's (Tornqvist) father and was an uncontrollable circumstance. The applicant's invention in the present application was not constructivley reduced to practice until after the applicant's vacation of 12/13/2000 to 12/21/2000, probably around 1/6/2001. In *Griffith v. Kanamaru*, 231 USPQ 892 (Bd. Pat. App. & Int. 1986), and 816 F2d 624, 2 USPQ2d 1361, the Board ruled against Griffith in that waiting for a graduate student to matriculate and the peer review process were not adequate explanations in gaps in activity. The Board was affirmed by the CAFC in the second decision. In *Emery, Howe, and Marcella v. Ronden and Rabel*, 188 USPQ 264 (Bd. Pat. Int. & App. 1974), the workloads of Kruger and Barker were established by affidavit (Page 269); Barker was continuously working on the drawings (month to six weeks, Page 269), demonstrating diligence in reduction to constructive practice. The present applicant's application was probably not constructivley reduced to practice until about 1/6/2001, based on the affidavit; the amount of time spent working on it is not apparent from the affidavit. The affidavits do not outline Marc Groz' workload, only involvement in Quaternion Group and Applied Mathematics. No schedules or daily logs of work completed are of record which might indicate a workload. In *Keizer V. Bradley*, 270 F2d 396, 215 (C.C.P.A. 1959), continuous engineering reduction to practice over 10 ½ months was held to excuse a delay in constructive reduction to practice during that period as the inventors were extremely busy. The examiner does not believe that the facts of the cases cited are relevant enough to the present affidavits for them to swear

behind the Adao e Silva reference. The examiner respectfully disagrees with the applicant as to the claims' condition for allowance.

Conclusion

34. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP 11§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

35. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

36. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Matthew D. Hoel whose telephone number is (571)272-5961. The examiner can normally be reached on Mon. to Fri., 8:00 A.M. to 4:30 P.M.

37. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert E. Pezzuto can be reached on (571) 272-6996. The fax phone

number for the organization where this application or proceeding is assigned is 571-273-8300.

38. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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